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RUEHUL/AMEMBASSY SEOUL 5096
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C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 002059

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DEPT FOR EAP, T, PM, EAP/MTS, EAP/RSP, EAP/MLS
NSC FOR E.PHU
SECDEF FOR USDP/ISA/APSA D.WALTON
JOINT STAFF FOR R.CARTER

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TAGS: PREL MARR MASS PGOV ID
SUBJECT: CHIEFS OF DEFENSE CONFERENCE IN BALI --
SCENESETTER FOR ADMIRAL KEATING

Classified By: DCM John A. Heffern, reasons 1.4(b+d).

¶1. (C) SUMMARY: Admiral Keating's participation in the Chiefs of Defense (CHOD) Conference in Bali (November 11-14) offers an opportunity to consolidate the mil-mil relationship with Indonesia. On the margins of this multilateral event, Admiral Keating will meet with Defense Minister Sudarsono and Indonesian Armed Forces (TNI) Commander General Santoso. Ambassador Hume will also participate.

¶2. (C) SUMMARY (Con'd): The relationship has reached a stable plateau after a rapid ramping-up over the past three years. Where we go from here depends largely on the new administration and Congress. The Indonesians would welcome assurances of the new administration's commitment to the region. Key topics include security assistance and defense cooperation (including a proposed agreement), accountability, Kopassus (Army special forces), maritime security and China. END SUMMARY.

A VITAL PARTNER

¶3. (C) By hosting the CHOD Conference, Indonesia is signaling its commitment to regional security in Southeast Asia. This is one of a growing list of steps that Indonesia has taken since the lifting of U.S. sanctions in 2005 to reintegrate itself into U.S.-sponsored cooperation in the Asia-Pacific region. In 2009, Indonesia will host a multilateral peacekeeping training exercise, GARUDA SHIELD, as a PACOM Capstone event. Other important events in Indonesia taking place this year include a Unified Engagement Air Force Exercise, Tendon Valiant Medical Readiness Exercise, an annual Maritime Tri-border Security Conference and a Pacific Armies Management Seminar (PAMS). These events are deepening Indonesia's security cooperation with the United States and Indonesia's neighbors.

¶4. (C) In 2007, Indonesia finally agreed to the U.S. proposal for maritime surveillance systems in the Sulawesi Sea and re-energized Indonesian efforts in the Strait of Malacca using Section 1206 funding. Indonesian Defense

Minister Sudarsono, TNI Commander General Santoso and then-Navy Chief, Admiral Sumarjono, were instrumental in mobilizing support for this assistance. Over the next few years, this project will improve Indonesia's ability to monitor maritime activity in these strategic waters, to the benefit of Indonesia, the United States and regional partners. We will look for opportunities to expand this capability to other maritime areas as well.

¶5. (C) Our annual Strategic Dialogue and Defense Discussions are increasingly substantive, and the Theater Security Cooperation Plan (TSCP) with the U.S. Pacific Command (PACOM) is running smoothly. Quantitatively, the TSCP agenda is at full capacity, and any future growth should take the form of qualitative improvements rather than quantity of events.

¶6. (C) We are reviewing an Indonesian draft text for a

defense cooperation agreement with a view to accepting as much of it as possible. Such an agreement could document current cooperation and provide a basis to expand cooperation in the future. We seek an agreement that does not require legislative approval in either capital (USG would notify Congress) and a government-to-government agreement that encompasses the role of non-defense agencies and policy in mil-mil cooperation. An agreed text would be presented to the next U.S. administration for approval.

GROWING ASSISTANCE NEEDS

¶7. (C) Indonesia is moving forward with its plans to create



an Indonesian Defense University (IDU), modeled on NDU and supported in part with modest FMF funding. The U.S.-funded Defense Resource Management System (DRMS) project, which will rationalize procurement and other resource needs, is slated for completion in 2009. The Defense Department (DEPHAN) still needs a systematic overhaul in policy, doctrine, functional organization and operational guidelines, and we plan to use some of our future FMF for this purpose.

¶8. (C) Our assistance to Indonesia under Foreign Military Financing (FMF) and International Military Education and Training (IMET) has leveled off in 2007-2008. Currently Indonesia receives $15.7 million in FMF (with some conditions) and about $1 million in IMET. Indonesia is fully utilizing the assistance we provide under these programs and can absorb more. We need to work with Congress to boost current funding levels.

¶9. (C) Indonesian plans to purchase U.S. fighter aircraft have been put on hold owing to domestic fiscal constraints, exacerbated by changes in the global economy over the past six months. Indonesia has begun to refurbish its fleet of 23 C-130s, but will need significant U.S. assistance to make real progress. A significant increase in FMF, in particular, is necessary if we want to help Indonesia build its lift capability with existing C-130s.

KEY BILATERAL MESSAGES

¶10. (C) These developments are all evidence of Indonesia's importance for the United States (and vice versa) in Southeast Asia and of the growing bilateral military cooperation between our two countries. We expect that cooperation to continue to grow. We suggest the following key messages for use with Indonesian interlocutors:

¶11. (C) TRANSITION: We anticipate that the new administration will build on the progress we have experienced in bilateral security ties. Spokesmen for President-Elect Obama have stressed his commitment to partners and friends in this region.

¶12. (C) SECURITY COOPERATION: We are seeking ways to expand

our cooperation, including through a bilateral defense cooperation agreement, more funding for FMF and IMET, IDU and more advanced bilateral activities and exercises.

¶13. (C) ACCOUNTABILITY: The prosecution of Indonesian security officials involved in the murder of human rights activist Munir and of Indonesian Marine Corps in the shooting incident in Pasuruan are positive steps in this direction, but more needs to be done. The report by the Indonesia-Timor Leste Truth and Friendship Commission was welcome, but the Indonesian government needs to socialize the report's findings within the Indonesian military and follow up on the commission's recommendations. Secretary Rice announced after bilateral talks with Foreign Minister Wirajuda that the United States was committed to help. We continue to look for ways to engage with all elements of the TNI, including Kopassus.

¶14. (C) MARITIME SECURITY: Indonesia is an important partner in maritime security. Indonesia's needs are still vast and its resources are still limited, and we want to help where we can. The maritime surveillance systems that we are installing in the Malacca Strait and the Sulawesi Sea (under Section 1206) are a start. As this capability grows, Indonesia should think about how it will exercise its jurisdiction over its waters and what objectives it wishes to accomplish. Improved maritime capability will allow the government of Indonesia to regain control of its waterways.



Areas where increased regional and bilateral cooperation would help include terrorism, illegal logging and fishing, trafficking in humans and proliferation, particularly of weapons of mass destruction.

¶15. (C) PEACEKEEPING: The United States welcomes Indonesia's contributions to international peacekeeping missions, exemplified in the Garuda XXIII deployment within UNIFIL in Lebanon, now nearing the end of its second year, and the Formed Police Unit (FPU) that recently deployed to Darfur, Sudan as part of the UN-African Union forces there. We were glad to be able to provide transport for the initial Garuda XXIII deployment and stand ready to assist again where possible. Peacekeeping is an area where we might look for opportunities to engage with special forces.

¶16. (C) CHINA: Indonesia has shown increasing interest in U.S. concerns regarding China's growing economic and military clout in the region. During visits to Jakarta this year, SecDef Gates and CJCS Mullen stressed, as you have, the need for increased transparency by the Chinese military. In October, a team from the Office of the Secretary of Defense briefed DefMin Sudarsono on the Defense Department's annual report to Congress on China's military power. The briefing was well received and elicited substantive, if somewhat skeptical, comment from Sudarsono. The exchange demonstrated that Indonesia's civilian defense leadership is actively grappling with China's rise and the implications for the region. We need to make China's capabilities, role and intentions a regular theme of our dialogue with Indonesia.

HUME